As regard the Indonesian property, when OVL submitted the offer to purchase the participating interests, the seller informed that they had entered into negotiations with another party on an exclusive basis and that if the negotiations could not be completed within the desired time frame then the seller would commence discussions with OVL.

OVL has been acquiring oil and gas properties abroad on the merits of the assets and after careful evaluation of the worth of the properties. The company has laid down its minimum hurdle rate of return for acquiring such properties. Similarly, international oil companies have their own criteria of evaluation and would be competing on their terms. In such a situation OVL cannot be expected to be the winning bidder on every transaction.

Award of contracts by oil companies

707. SHRI DILIP SINGH JUDEV: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any watchdog policy has been framed to stop the exploitation of small and petty contractors engaged in Turn-key contracts awarded to a contractor in different public sector oil companies;

(b) whether it is a fact that M/s. Ghanshyam Steel Works Limited having registered office at Vithal Smruti, 2nd Floor, 78, Sampat Rao Colony, Alkapuri, Baroda, has been awarded a contract by EIL, IOC is following the above said policy;

(c) if so, upto what extent; and

(d).if not, the reasons thereof and what action has been taken against the company?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) No, Sir.

(b) to (d) Following orders were placed on M/s. Ghanshyam Steel Works Limited (GSWL) by Indian Oil Corporation Limited (lOC)'s Lumpsum Turn Key (LSTK) contractors:-

Project name	Material ordered
Catalytic Dewaxing Project at	Supply of 17 nos. vessels/drums
Haldia Barauni Refinery	Supply & erection of 4 nos.

However, since M/s. GSWL failed to supply the materials within the contractual delivery period, the LSTK contractors offloaded the jobs and got the materials/jobs from other parties. The above action was taken by LSTK contractors as per their contract agreement with M/s. GSWL. IOC was not directly involved.

Administration of oil prices

708. SHRI A. VIJAYA RAGHAVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the oil prices shifts in a truly deregulated scenario;

(b) if so, the reasons for the above in details;

(c) whether the Administered Pricing Mechanism (APM) have been dismantled;

(d) if so, the reasons therefor;

(e) whether there is any proposal for the Petroleum Regulatory Authority; and

(f) if so, the details alongwith the measures to administer the prices of oil?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) and (b) With the dismantling of the Administered Pricing Mechanism (APM), the pricing of all petroleum products, except for PDS Kerosence and domestic LPG, has been decontrolled with effect from 1st April, 2002.

(c) Yes, Sir.

(d) The APM has been dismantled as a reform measure in the petroleum sector

(e) Yes, Sir

(f) The proposed Petroleum Regulatory Board Bill, 2002, which provides for the establishment of the Petroleum Regulatory Board, has *inter-alia* appropriate provisions on the princing issues.